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PP RUEHDE
DE RUEHAD #1690 2831011
ZNR UUUUU ZZH
P 101011Z OCT 07
FM AMEMBASSY ABU DHABI
TO RUEHC/SECSTATE WASHDC PRIORITY 9846
INFO RUEHGP/AMEMBASSY SINGAPORE PRIORITY 0107
RUEHDE/AMCONSUL DUBAI PRIORITY 7343
RUCPDOC/DEPT OF COMMERCE WASHINGTON DC PRIORITY
RUEKJCS/SECDEF WASHINGTON DC PRIORITY
RHMFIUU/HQ BICE WASHINGTON DC PRIORITY

UNCLAS ABU DHABI 001690

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DEPT FOR PM/DTCC-BLUE LANTERN COORDINATOR

E.O. 12958: N/A TAGS: <u>ETTC</u> <u>KOMC</u> <u>AE</u>

SUBJECT: BLUE LANTERN LEVEL 3 PRE-LICENSE END-USE CHECK ON

APPLICATION 050064236

**REF: STATE 130636** 

- 11. This is an action request. Please see para 7.
- 12. On October 3, Econchief met with Irfan Khan, sales manager for Al-Mazroui Trading and General Services in the company's offices in Abu Dhabi. Al Mazroui Trading is part of the Al-Mazroui Group, which has a number of integrated companies, including MAPCO (an electro-mechanical contractor), and Al-Mazroui International Cargo Company (which provides freight forwarding, including customs clearing and door to dour courier services). Al-Mazroui trading Projects Division (where Khan works) was established to extend consultancy services to major manufacturers and multi-national corporations participating in public and private sector projects in the UAE and other gulf countries. It also promotes the sale of equipment and spare parts to clients, including the UAE military.
- 13. Khan provided Econchief with copies of the UAE purchase order for the goods specified in reftel with a total value of AED 111,640 (USD 30,400), the acceptance of quotation, dated July 18, 2007, and end-user certificate signed by Colonel Khamis Juma Al-Nuaimi, Director General Purchasing for the UAE's GHQ.
- 14. Khan stated that he understood U.S. Munitions List regulations, especially those regarding re-exports. He explained that the contract with GHQ also called for delivery directly to the military's warehouse. On October 6, Bashir Choudry, the director of the Projects Division wrote to Econchief to reconfirm that all spare parts procured from U.S. companies are meant explicitly for UAE Armed Forces in response to the UAE military's request for U.S. origin equipment.
- 15. Khan expressed concern about the time required to process USML export licenses, explaining that his company faces penalties for late delivery. He asked for Econchief's assistance in resolving another license issue for Electron Tubes for a TPS 70 radar for the UAE military. Al-Mazroui had contracted with SOI Aviation, 23956 Ventura Boulevard Calabasas Ca for two electron tubes for the TPS-70 radar. (UAE GHQ reference number DP3/5/8/3/2006/440). This order had been pending for five months and Al-Mazroui was facing financial penalties. (Note: Based on the correspondence, it appears as if SOI's export license was initially denied, but that Al-Mazroui has sent further information most recently on September 18. End Note.)
- 16. Post recommends that application 050064236 be approved. Al-Mazroui appears to have a good understanding of

restrictions contained in the USML articles, particularly with regard to reexport.

17. Action request: Please provide any information that we can use to answer Al-Mazroui's questions with regard to the order from S.O.I. aviation.
SISON